

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: TV-32 DIGITAL VENTURES INC.

Case No. 09-58098 ASW 11

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 02/28/11

PETITION DATE: 09/23/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$534	\$534	
b. Total Assets	\$4,451,534	\$4,451,534	\$4,602,250
c. Current Liabilities	\$13,524	\$13,524	
d. Total Liabilities	\$3,678,329	\$3,678,329	\$3,788,226
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
a. Total Receipts	\$12,790	\$17,236	\$140,192
b. Total Disbursements	\$11,942	\$18,657	\$138,810
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$848	(\$1,421)	\$1,382
d. Cash Balance Beginning of Month	\$534	\$1,955	\$0
e. Cash Balance End of Month (c + d)	\$1,382	\$534	\$1,382
			Cumulative
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
	N/A	N/A	N/A
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$13,524	\$13,524	
7. Past Due Post-Petition Account Payables (over 30 days)	\$13,524	\$13,524	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | n/a |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | x | |
| 13. Are a plan and disclosure statement on file? | x | |
| 14. Was there any post-petition borrowing during this reporting period? | | x |
15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 03/18/2011

/s/ Booker T. Wade
Responsible Individual

BALANCE SHEET
(Small Real Estate/Individual Case)
For the Month Ended 02/28/11

Assets		Check if Exemption Claimed on Schedule C	Market Value
Current Assets			
1	Cash and cash equivalents (including bank accts., CDs, etc.)		\$534
2	Accounts receivable (net)		
3	Retainer(s) paid to professionals		
4	Other: _____		
5	_____		
6	Total Current Assets		\$534
Long Term Assets (Market Value)			
7	Real Property (residential)		
8	Real property (rental or commercial)		\$4,350,000
9	Furniture, Fixtures, and Equipment		\$101,000
10	Vehicles		
11	Partnership interests		
12	Interest in corporations		
13	Stocks and bonds		
14	Interests in IRA, Keogh, other retirement plans		
15	Other: _____		
16	_____		
17	Total Long Term Assets		\$4,451,000
18	Total Assets		\$4,451,534
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19	Post-petition not delinquent (under 30 days)		
20	Post-petition delinquent other than taxes (over 30 days)		\$13,524
21	Post-petition delinquent taxes		
22	Accrued professional fees		
23	Other: _____		
24	_____		
25	Total Current Liabilities		\$13,524
26	Long-Term Post Petition Debt		
27	Total Post-Petition Liabilities		\$13,524
Pre-Petition Liabilities (allowed amount)			
28	Secured claims (residence)		\$3,618,704
29	Secured claims (other)		\$65
30	Priority unsecured claims		\$24,670
31	General unsecured claims		\$21,366
32	Total Pre-Petition Liabilities		\$3,664,805
33	Total Liabilities		\$3,678,329
Equity (Deficit)			
34	Total Equity (Deficit)		\$773,205
35	Total Liabilities and Equity (Deficit)		\$4,451,534

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET

Schedule A Rental Income Information

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property	Office building - 1010 Corporation Way, Palo Alto		
2 Scheduled Gross Rents	\$21,400		
Less:			
3 Vacancy Factor	\$15,400		
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$15,400	\$0	\$0
7 Scheduled Net Rents	\$6,000	\$0	\$0
8 Less: Rents Receivable (2)	\$6,000		
9 Scheduled Net Rents Collected (2)	\$0	\$0	\$0

(2) To be completed by cash basis reporters only.

Schedule B Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	Union Bank		
	Checking		
11 Account No.	2180063989		
12 Account Purpose			
13 Balance, End of Month	\$534		
14 Total Funds on Hand for all Accounts	\$534		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/11

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$12,790	\$140,192
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$12,790	\$140,192
Cash Disbursements			
13	Selling		
14	Administrative		
15	Capital Expenditures		
16	Principal Payments on Debt		
17	Interest Paid	11,500.00	57,500.00
	Rent/Lease:		
18	Personal Property		
19	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
20	Salaries		
21	Draws		
22	Commissions/Royalties		
23	Expense Reimbursements		
24	Other		
25	Salaries/Commissions (less employee withholding)		
26	Management Fees		
	Taxes:		
27	Employee Withholding		
28	Employer Payroll Taxes		
29	Real Property Taxes		7,468.00
30	Other Taxes		33.50
31	Other Cash Outflows:		
32	Insurance		9,697.00
33	Security		2,749.00
34	Repairs		8,713.00
35	Cleaning/Supplies	421.84	5,050.87
36	Bank Fee/ Trustee Fee	20.00	609.92
	Landscape/Gardener		2,400.00
	Utilities		44,588.58
37	Total Cash Disbursements:	\$11,942	\$138,810
38	Net Increase (Decrease) in Cash	\$848	\$1,382
39	Cash Balance, Beginning of Period	\$534	
40	Cash Balance, End of Period	\$1,382	1,382

TV 32 DIGITAL VENTURES INC

28-Feb-11

<u>Number</u>	<u>Date</u>	<u>Payee/Deposit</u>	<u>Description</u>	Payment	
				<u>Invoice</u>	<u>Amount</u>
314	2/3/2011	Josefina Perez			-200.00
315	2/15/2011	Sterling Savings Bank			-11,500.00
262	2/17/2011	Josefina Perez			-221.84
	2/28/2011	Monthly bank fee			-20.00
					-11,941.84

TV 32 Digital Ventures Inc.
Bank Reconciliation
Union Bank #2180063989
Feb-11

Bank balance balance in Unio Bank	1,382
O/S Checks	260 Palo Alto Utilities
O/S Deposits	Deposit
Adjusted bank balance	<u>1,382</u>
Gernal Ledger balance in Union Bank	1,382
Payment not booked	-
Receipt not booked	-
Adjusted general ledger balance	<u>1,382</u>
Difference	-

STATEMENT OF ACCOUNTS

UNION BANK
SPECIALIZED DEPOSITS 0210
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

Page 1 of 3
TV-32 DIGITAL VENTURES, INC
Statement Number: 2180063989
2/1/11 - 2/28/11

Customer Inquiries
800.669.8661

Thank you for banking with us
since 2009

CY30 410000 0017857070516 847936
TV-32 DIGITAL VENTURES, INC
CHAPTER 11 DEBTOR IN POSSESSION
CASE #09-58098
1010 CORPORATION WAY
PALO ALTO CA 94303-4304

- Access account information and key online services using your smartphone with Union Bank's Mobile Business Center. Now, wherever you have mobile Internet service, you can check balances, make intra-bank transfers and approve wires securely. To enroll in mobile banking, go to the Online Business Center. To learn more, call your Relationship Manager or contact Global Treasury Management Sales at 800-883-0285.

BASIC BUSINESS CHECKING SUMMARY

Account Number: 2180063989

Days in statement period: 28

Beginning balance on 2/1	\$	0.00
Total Credits		15,790.00
Deposits (4)	15,790.00	
Total Debits		-14,407.43
Checks paid (4)	-14,387.43	
Other debits, fees and adjustments (2)	-20.00	
Ending Balance on 2/28	\$	1,382.57

CREDITS

Deposits

including check and cash credits	Date	Description	Reference	Amount
	2/1	OFFICE DEPOSIT # 0005892776	87698516 \$	3,000.00
	2/3	OFFICE DEPOSIT # 0005792793	87758780	3,586.00
	2/16	OFFICE DEPOSIT	87139037	5,704.00
	2/17	OFFICE DEPOSIT	87160198	3,500.00
		4 Deposits	Total amount \$	15,790.00

DEBITS

Checks paid

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
0260	2/2	\$ 2,465.59	0314*	2/10	\$ 200.00			
0262*	2/22	221.84	0315	2/17	11,500.00			
			4 Checks paid			Total amount	\$	14,387.43

* Checks missing in sequence. Out of sequence check numbers may also be located in the Electronic debits section of your statement.

Other debits, fees and adjustments

Date	Description	Reference	Amount
2/28	BANK STMT-FRONT AND BACK IMAGES (CHK)	\$	10.00
2/28	SERVICE CHARGE W/PAPER STATEMENT		10.00
	2 Other debits, fees and adjustments	Total amount \$	20.00



TV-32 DIGITAL VENTURES INC.
CHAPTER 11 DEBTOR IN POSSESSION
CASE #09-58098
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 1-31-11

TO: City of Palo Alto Utilities \$2,465.57
Two thousand four hundred sixty five and 57/100

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

MEMO: 2009-3982

⑆122000496⑆ 7180063989⑆ 0250

UNIONBANK
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 1-31-11

TO: City of Palo Alto Utilities \$2,465.57
Two thousand four hundred sixty five and 57/100

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

TV-32 DIGITAL VENTURES INC.
CHAPTER 11 DEBTOR IN POSSESSION
CASE #09-58098
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 2/1/11

TO: Josemar Perez \$221.62
Two hundred twenty one and 62/100

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

MEMO: Cleaning Supply

⑆122000496⑆ 7180063989⑆ 0252

UNIONBANK
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 2/1/11

TO: Josemar Perez \$221.62
Two hundred twenty one and 62/100

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

TV-32 DIGITAL VENTURES INC.
CHAPTER 11 DEBTOR IN POSSESSION
CASE #09-58098
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 2/3/11

TO: Josemar Perez \$200.00
Two hundred exactly

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

MEMO: Cleaning to 2/3/11

⑆122000496⑆ 7180063989⑆ 0254

UNIONBANK
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 2/3/11

TO: Josemar Perez \$200.00
Two hundred exactly

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

TV-32 DIGITAL VENTURES INC.
CHAPTER 11 DEBTOR IN POSSESSION
CASE #09-58098
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 2/16/11

TO: Sterling Summer Bank \$11,600.00
Eleven thousand six hundred exactly

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

MEMO: P&G 2/11

⑆122000496⑆ 7180063989⑆ 0255

UNIONBANK
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098

DATE: 2/16/11

TO: Sterling Summer Bank \$11,600.00
Eleven thousand six hundred exactly

UnionBank
1010 CORPORATION WAY
PALO ALTO, CA 94303-5098